

AMENDED IN ASSEMBLY JUNE 10, 2014
AMENDED IN SENATE JANUARY 17, 2014
AMENDED IN SENATE JANUARY 6, 2014
AMENDED IN SENATE MAY 24, 2013

SENATE BILL

No. 761

Introduced by Senator DeSaulnier

February 22, 2013

An act to amend ~~Section~~ *Sections 18897 and 18898* of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 761, as amended, DeSaulnier. Personal income taxes: voluntary contributions: School Supplies for Homeless Children Fund.

The Personal Income Tax Law authorizes an individual to contribute amounts in excess of his or her tax liability for the support of specified funds, including the School Supplies for Homeless Children Fund. Existing law requires the moneys deposited in the School Supplies for Homeless Children Fund to be allocated, upon appropriation by the Legislature, to the State Department of Education for the sole purpose of assisting pupils in California pursuant to the federal McKinney-Vento Homeless Assistance Act by providing school supplies and health-related products to homeless children through competitive grant programs, as provided.

This bill would instead require the same moneys, upon appropriation by the Legislature, to be allocated to the State Department of ~~Education~~ *Social Services* for distribution to a nonprofit organization, exempt from taxation, for the sole purpose of assisting pupils in California pursuant to the federal McKinney-Vento Homeless Assistance Act by providing

grants of school supplies and health-related products to partnering learning local education agencies, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18897 of the Revenue and Taxation Code
2 is amended to read:

3 18897. All moneys transferred to the School Supplies for
4 Homeless Children Fund, upon appropriation by the Legislature,
5 shall be allocated as follows:

6 (a) To the Franchise Tax Board and the Controller for
7 reimbursement of all costs incurred by the Franchise Tax Board
8 and the Controller Board, the Controller, and the State Department
9 of Social Services in connection with their duties under this article.

10 (b) To the State Department of Education Social Services as
11 follows:

12 (1) (A) For distribution to a nonprofit organization exempt from
13 federal income tax as an organization described in Section
14 501(c)(3) of the Internal Revenue Code for the sole purpose of
15 assisting pupils in California pursuant to the federal
16 McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301
17 et seq.) by providing school supplies and health-related products
18 to partnering learning local education agencies for distribution to
19 homeless children, as defined by the federal McKinney-Vento
20 Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.) 11434a).
21 The nonprofit organization shall provide a minimum 100 percent
22 match for all funds received from the School Supplies for Homeless
23 Children Fund. The State Department of Education Social Services
24 shall enter into a memorandum of understanding with the
25 subvention services agreement with a nonprofit organization.

26 (B) The State Department of Education's Social Services' first
27 designation of a nonprofit organization shall be valid until January
28 1, 2017. On that date, and every three calendar years thereafter,
29 while this section is operative and in effect, the State Department
30 of Education Social Services shall designate the same or a different
31 nonprofit organization pursuant to this section. The State
32 Department of Education Social Services may revoke the
33 designation should the nonprofit organization fail to comply with

1 the provisions of this article. If a designation is revoked, the State
2 Department of ~~Education~~ *Social Services* shall designate a new
3 nonprofit organization within three calendar months.

4 (C) Funds shall be distributed by the State Department of
5 ~~Education~~ *Social Services* only after evidence is presented to the
6 State Department of ~~Education~~ *Social Services* that demonstrates
7 that the ~~learning~~ *local* education agencies or domestic violence
8 shelters have received the materials.

9 (2) For reimbursement of all costs incurred by the State
10 Department of ~~Education~~ *Social Services* in connection with
11 verifying that the designated nonprofit organization procured
12 school supplies and health-related products and provided matching
13 funds *or in-kind materials as described in this section*.

14 (c) (1) Funds distributed to the nonprofit organization pursuant
15 to this section shall be used only for costs incurred to procure,
16 assemble, and ship school supplies and health-related products.
17 Funds made available pursuant to this section shall not be used for
18 administrative purposes, to reimburse costs associated with
19 administering grants of school supplies and health-related products
20 to ~~learning~~ *local* education agencies or domestic violence shelters,
21 or for any purpose relating to the operation of the nonprofit
22 organization.

23 (2) The nonprofit organization may provide school supplies and
24 health-related products to children living in domestic violence
25 shelters.

26 *SEC. 2. Section 18898 of the Revenue and Taxation Code is*
27 *amended to read:*

28 18898. (a) Except as otherwise provided in subdivision (b),
29 this article shall remain in effect only until January 1 of the fifth
30 taxable year following the first appearance of the School Supplies
31 for Homeless Children Fund on the personal income tax return,
32 and is repealed as of December 1 of that year.

33 (b) (1) By September 1 of the second calendar year and each
34 subsequent calendar year that the School Supplies for Homeless
35 Children Fund appears on the tax return, the Franchise Tax Board
36 shall do all of the following:

37 (A) Determine the minimum contribution amount required to
38 be received during the next calendar year for the fund to appear
39 on the tax return for the taxable year that includes that next calendar
40 year.

1 (B) Provide written notification to the State Department of
2 ~~Education~~ *Social Services* of the amount determined in
3 subparagraph (A).

4 (C) Determine whether the amount of contributions estimated
5 to be received during the calendar year will equal or exceed the
6 minimum contribution amount determined by the Franchise Tax
7 Board for the calendar year pursuant to subparagraph (A). The
8 Franchise Tax Board shall estimate the amount of contributions
9 to be received by using the actual amounts received and an estimate
10 of the contributions that will be received by the end of that calendar
11 year.

12 (2) If the Franchise Tax Board determines that the amount of
13 the contributions estimated to be received during a calendar year
14 will not at least equal the minimum contribution amount for the
15 calendar year, this article shall be inoperative with respect to
16 taxable years beginning on or after January 1 of that calendar year
17 and shall be repealed on December 1 of that year.

18 (3) For purposes of this section, the minimum contribution
19 amount for a calendar year means two hundred fifty thousand
20 dollars (\$250,000) for the second calendar year after the first
21 appearance of the School Supplies for Homeless Children Fund
22 on the personal income tax return or the adjusted minimum
23 contribution amount adjusted pursuant to subdivision (c).

24 (c) For each calendar year, beginning with the third calendar
25 year after the first appearance of the School Supplies for Homeless
26 Children Fund on the personal income tax return, the Franchise
27 Tax Board shall adjust, on or before September 1 of that calendar
28 year, the minimum contribution amount specified in subdivision
29 (b) as follows:

30 (1) The minimum estimated contribution amount for the calendar
31 year shall be an amount equal to the product of the minimum
32 estimated contribution amount for the calendar year multiplied by
33 the inflation factor adjustment as specified in subparagraph (A) of
34 paragraph (2) of subdivision (h) of Section 17041, rounded off to
35 the nearest dollar.

36 (2) The inflation factor adjustment used for the calendar year
37 shall be based on the figures for the percentage change in the
38 California Consumer Price Index for all items received on or before
39 August 1 of the calendar year pursuant to paragraph (1) of
40 subdivision (h) of Section 17041.

1 (d) Notwithstanding the repeal of this article, any contribution
2 amounts designated pursuant to this article prior to its repeal shall
3 continue to be transferred and disbursed in accordance with this
4 article as in effect immediately prior to that repeal.

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